FISCAL NOTE

SB 3970 - HB 4056

March 20, 2006

SUMMARY OF BILL: Deletes earmark provision requiring portions of certain privilege tax revenues be used to fund the superceded retirement systems for certain county officials, county judges, and general session court judges. Reallocates portions of state revenue, derived from various state taxes (litigation tax, wine tax, alcoholic beverage tax, beer tax, Hall income tax, sales and use tax, and coal severance tax), to local governments. Reallocates portion of state revenue, derived from excise tax levied on banks and financial institutions, to local governments. Reallocates portion of state revenue, derived from taxes levied on interstate or international telecommunications services sold to businesses, to local governments. Eliminates the state-shared revenue reduction mitigation account within the General Fund.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - $22,000,000 – Included in Governor's proposed FY06-07 budget document.

Increase Local Govt. Revenues - $22,000,000 - Included in Governor's proposed FY06-07 budget document.

Other Fiscal Impact – Enactment of this bill will remove an earmark provision for $10.0 million of General Fund monies. These funds will be appropriated for purposes specified in the general appropriations act (SB3914-HB4025, Section 43, Item 11).

Assumptions:

- Enactment of this bill will remove an earmark provision for $10.0 million of General Fund monies. These funds will be appropriated for purposes specified in the general appropriations act (SB3914-HB4025, Section 43, Item 11).
- The decrease to state revenues, resulting from transfers of various state tax revenues to local governments, is estimated to be $22.0 million.

- The increase to local government revenues, resulting from transfers of various state tax revenues to local governments, is estimated to be $22.0 million.
- Estimated fiscal impact is based on first full year after enactment.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

James W. White, Executive Director